



State of California  
**Employment Training Panel**

Training Proposal for:  
**Hayden Industrial Products, L.L.C.**

**Agreement Number: ET09-0304**

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **San Diego**

Analyst: S. Godin

**PROJECT PROFILE**

Contract  
Type: HUA - Retrainee

Industry  
Sector(s): Manufacturing

Counties  
Served: Riverside

Repeat  
Contractor: ☐ Yes ☒ No

Union(s): ☐ Yes ☒ No

Priority  
Industry: ☒ Yes ☐ No

No. Employees in CA: 80

No. Employees Worldwide: 80

Turnover Rate %	Manager/ Supervisor %
5%	10%

**FUNDING DETAIL**

Program Costs	Substantial Contribution	Total ETP Funding
\$146,146	\$0	\$146,146

In-Kind Contribution
\$85,000

**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	HUA - Retrainee	Business Skills, Computer Skills, Continuous Improvement, Hazardous Materials, Manufacturing Skills	77	24-200	0	\$1,898	\$12.85
				Weighted Avg: 73			

**Minimum Wage by County:** Riverside County - \$12.85 per hour

**Health Benefits:** ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:** ☒ Yes ☐ No

Employer-paid health benefits in the amount of \$2.35 per hour may be used to meet the Post-Retention Wage.

**Other Benefits:** Vacation Pay, Sick Leave, Holiday Pay, and Flex-Elect Reimbursement Plan.

Wage Range by Occupation	
Occupation Title	Wage Range
Production Personnel	
Administrative Support Staff	
Engineers	
Technicians	
Supervisors/Managers	

**INTRODUCTION**

In this proposal, Hayden Industrial Products, L.L.C. (HIP) seeks funding for retraining as outlined below:

Founded in 1959 by Perry Hayden, HIP designs and manufactures industrial mobile and stationary heat exchangers that support the demands of power generation, construction, fluid power, agriculture, and other markets where industrial temperature measurement and control is vital. These heat exchangers are used in engine and transmission oil cooling, diesel fuel cooling, charge air cooling, radiators, package/combo units, torque converter cooling, generator sets, and hydrostatic drives for on/off-highway, and oil-field equipment.

HIP is located in Corona (Riverside County) and employs 80 full-time workers. Riverside County is currently designated as a High Unemployment Area (HUA). This small business is eligible for ETP funding as a manufacturer under the out-of-state competition provisions outlined in Title 22, California Code of Regulations, Section 4416(i)(1).

## **PROJECT DETAILS**

To combat the increasing competition from off-shore manufacturers and create a specialty niche, HIP has begun to shift its production away from that of small temperature control devices (typically used for commercial, construction, and automotive trucking applications) to that of large heat exchangers used in gas and oil pumping, and manufacturing and power generation. Wherein the original product line included units that would fit inside a suitcase, the new product lines include units the size of a small building.

To shift from small component long-run manufacturing to large component short-run manufacturing, HIP must improve manufacturing and business processes by driving the entire organization towards a high performance workplace through the implementation of Lean Manufacturing principles. This training initiative will assist HIP in its move to a cross-functional team environment where employees work collaboratively in teams to problem solve. The proposed training consists of the following:

**Business Skills** training will support the company's shift to a cross-functional team based environment. All employees will receive training in Supply Chain Customer Service. Employees with budget responsibility will receive skills upgrades in Performance Management. Support, Technical Staff, and Managers who drive the sales, marketing, and product technical support will receive Sales & Marketing in a Global Market to maintain the company's industry leadership position. Business Skills will support the company's goal of moving to large component short-run manufacturing by providing product and customer service visibility and accountability to all levels of employees.

**Computer Skills** training will be provided to all employees on navigation of the Glovia enterprise software system (ERP), which provides financial and production information on all aspects of the production process, including manufacturing resource planning, inventory control, purchase order tracking, shipping and receiving, and specific modules such as shop floor control. Administrative support and technical personnel will also receive advanced training in the use of the latest available hardware and software applications purchased by HIP.

**Continuous Improvement** skills training will incorporate the principles of Lean Manufacturing critical for upgrading to ISO 9001:2008 to meet customer demands and will be delivered to all Hayden employees. Lean Manufacturing practices will be implemented in all areas of production in order to create individual work cells. The training also supports the company's goal of moving towards a high performance workplace and is projected to reduce production lead times and lower operating costs while improving efficiencies, quality, and customer satisfaction.

**Hazardous Materials** training will be delivered to all production and technical personnel. The manufacture of large industrial heat exchangers produces hazardous material waste. It is critical that these employees receive training in the proper handling of chemical materials (acetone, paint, etc.), metal waste (aluminum, steel, etc.), and oil and lubricants.

**Manufacturing Skills** training will give production personnel the skills to become proficient in manufacturing processes associated with large component short-run production. Training will be delivered in new equipment operation and repair, weld-less tube manufacturing, machining and assembly skills, track and orbital welding skills, and inspection techniques. Production workers will also receive training in Lean Manufacturing principles. Acquisition of these skills sets will provide trainees with the skills necessary to lower production costs while reducing waste and excess inventory.

**Commitment to Training**

HIP states that the request for the proposed ETP-funded training will supplement rather than displace its ongoing investment in the training of its workers. The company states that although it does not have a formal training budget, it typically spends about \$30,000 annually for ongoing training in: new-employee orientation, basic job skills, anti-harassment, keyboarding skills, OSHA safety training, and on-the-job training.

HIP further states that it will continue to provide the above mentioned training during the term of the proposed ETP Agreement and beyond at its own expense.

**RECOMMENDATION**

For the reasons set forth above, staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

The company retained Sallyanne Monti Associates in San Francisco, assist with development of this proposal for a flat fee of \$6,000.

**ADMINISTRATIVE SERVICES**

The company also retained Sallyanne Monti Associates to perform administrative services in connection with this proposal for a fee not to exceed 13% of ETP payment earned.

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class Lab Hours**

24-200

Trainees will receive any of the following:

**BUSINESS SKILLS**

- Sales & Marketing Techniques in a Global Market
- Supply Chain Customer Service
- Performance Management

**COMPUTER SKILLS**

- Intermediate/Advanced Software Applications
  - Microsoft Access
  - Pro E 3D Cad
- Enterprise Resource Planning (ERP)
  - Glovia

**CONTINUOUS IMPROVEMENT SKILLS**

- Frontline Decision Making & Problem Solving
- Process Improvement Techniques
- High Performance Work Teams
- ISO Implementation Tools
- Quality Management
- Six Sigma

**HAZARDOUS MATERIALS (HAZMAT)**

- Chemical Handling
- Metal Waste
- Oils

**MANUFACTURING SKILLS**

- Advanced Manufacturing
  - Camio Braise Software Applications
  - Machining & Programming
  - Assembly Operations
- Lean Manufacturing Practices
  - Kaizen Implementation Tools
  - Value Stream Mapping
  - Kanban Systems
  - 5 S tools
- Production Operations
  - Gas/Oil/Power Generation
- Tube Production
  - New Tube Technology
- Welding
  - Track & Orbital Welding
  - New Welding Technology